

ENTERED

September 02, 2021

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

BRAZOS ELECTRIC POWER
COOPERATIVE, INC.,

Debtor.¹

Chapter 11

Case No. 21-30725 (DRJ)

BRAZOS ELECTRIC POWER
COOPERATIVE, INC.,

Plaintiff,

Adv. Proc. No. 21-03863 (DRJ)

v.

ELECTRIC RELIABILITY COUNCIL OF
TEXAS, INC.,

Defendant.

**STIPULATION AND AGREED ORDER
AUTHORIZING INTERVENTION**

WHEREAS, on March 1, 2021, Brazos Electric Power Cooperative, Inc. (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and the Debtor has continued in possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, on May 5, 2021, the Court entered the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(B)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and*

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Brazos Electric Power Cooperative, Inc. (4729). Additional information regarding this case may be obtained on the website of the Debtor’s claims and noticing agent at <http://cases.stretto.com/Brazos>. The Debtor’s address is 7616 Bagby Avenue, Waco, TX 76712.

Manner for Filing Proofs Of Claim, Including Section 503(B)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief [Dkt. No. 515] establishing various deadlines for the filing of proofs of claim in the Chapter 11 Case, including (a) the “General Claims Bar Date” of June 15, 2021 and (b) the “Governmental Bar Date” of September 3, 2021;

WHEREAS, on June 14, 2021, Electric Reliability Council of Texas, Inc. (“ERCOT”) filed a proof of claim in the above-captioned chapter 11 case asserting a claim against the Debtor in the aggregate amount of \$1,899,152,990.64 (the “ERCOT Claim”),² comprising a general unsecured claim in the amount of \$21,561,484.54 and an administrative priority claim pursuant to Bankruptcy Code section 503(b)(9) in the amount of \$1,877,591,506.10;

WHEREAS, on July 25, 2021, the Debtor commenced a contested matter by filing the *Debtor’s Objection to Electric Reliability Council of Texas, Inc.’s Proof of Claim* [Dkt. No. 930] (the “Claim Objection”) seeking, among other things, the disallowance and reduction of the ERCOT Claim and the reclassification of the administrative priority portion of the ERCOT Claim as a general unsecured claim in its entirety;

WHEREAS, upon the record of the hearings held by the Court on July 26, 2021 and August 4, 2021, the Debtor withdrew the Claim Objection on the record;

WHEREAS, on August 18, 2021, the Debtor filed its Complaint Objecting to ERCOT’s Proof of Claim and Other Relief [Adv. Dkt. No. 1] (the “Complaint”);³ with the Court against ERCOT to commence the above-captioned adversary proceeding (the “Adversary Proceeding”);

² The ERCOT Claim is Stretto Claim Number 403 and ECF Claim Number 115.

³ Capitalized terms used in this Stipulation and Agreed Order but not defined herein shall have the meanings ascribed to such terms in the Complaint.

WHEREAS, the Official Committee of Unsecured Creditors (the “Committee”) seeks to intervene in the Adversary Proceeding as an intervenor-plaintiff pursuant to Rule 7024 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); and

WHEREAS, in order to avoid the cost, expense and inherent delay that would be incurred by the Debtor’s estate in connection with the Committee’s filing an intervention motion in the Adversary Proceeding, the Debtor, ERCOT, and the Committee (collectively, the “Parties,” and individually, a “Party”) have agreed to a consensual intervention in the Adversary Proceeding on the terms set forth in this stipulation and agreed order (the “Stipulation and Agreed Order”).

NOW, THEREFORE, IT IS HEREBY STIPULATED, AGREED, AND ORDERED:

1. The Committee shall be, and hereby is, permitted to intervene in the Adversary Proceeding as an intervenor-plaintiff under Bankruptcy Rule 7024 without the need for the filing of a motion, and shall be deemed to have joined in the pending Complaint; *provided, however*, that the statements made in paragraphs 11 through 15 of the Complaint shall not be deemed an admission by the Committee.

2. The Committee’s standing as an intervenor-plaintiff is limited to the claims asserted in the Complaint and to any subsequent claims the Debtor asserts against ERCOT in this adversary proceeding, unless additional standing is subsequently granted to the Committee by Court order. ERCOT and the Debtor reserve the right to oppose any request for additional standing by the Committee.

3. The Debtor and the Committee shall make reasonable efforts to consult each other in connection with discovery matters to minimize any duplication of effort.

4. This Stipulation and Agreed Order is immediately effective upon entry by the Court.

5. Neither this Stipulation and Agreed Order nor any of its terms may be modified, altered, amended or waived, except in writing signed by the Parties hereto and approved by the Court.

6. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation and Agreed Order, and the Parties hereby consent to such jurisdiction to resolve any dispute or controversies arising from or related to this Stipulation and Agreed Order.⁴

IT IS SO ORDERED.

Signed: September 02, 2021.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

⁴ Because ERCOT has not answered or otherwise responded to the Complaint, the Parties agree that ERCOT's agreement to the Stipulation and Agreed Order does not waive any defenses or challenges to jurisdiction or the Committee's standing as to any claims other than those asserted in the Complaint.

STIPULATED AND AGREED:**EVERSHEDS SUTHERLAND (US) LLP**By: /s/ Lino Mendiola

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